

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
BROOKSTON PRAIRIE TOWNSHIP LIBRARY
WHITE COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
03/05/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Vacant Marilyn Blessing	01-01-07 to 02-11-07 02-12-07 to 12-31-09
Treasurer	Blanche E. Wall	01-01-07 to 12-31-09
President of the Board	Lelan McReynolds	01-01-07 to 12-31-09



STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE BROOKSTON PRAIRIE
TOWNSHIP LIBRARY, WHITE COUNTY, INDIANA

We have examined the financial information presented herein of the Brookston Prairie Township Library (Library), for the period of January 1, 2007 to December 31, 2008. The Library's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Library for the years ended December 31, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 18, 2009

BROOKSTON PRAIRIE TOWNSHIP LIBRARY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 473	\$ 123,484	\$ 123,344	\$ 613
Unrestricted Gifts and Bequests	45,644	1,662	4,895	42,411
Restricted Gifts and Bequests	1,129	600	733	996
Hildabrandt Gift	36,949	11,258	45,446	2,761
Gish Book	2,258	-	2,258	-
Rainy Day	4,963	-	-	4,963
Lease/Rental	3,507	75,985	79,000	492
Library Improvement Reserve	102,604	4,271	10,600	96,275
Totals	<u>\$ 197,527</u>	<u>\$ 217,260</u>	<u>\$ 266,276</u>	<u>\$ 148,511</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 613	\$ 156,540	\$ 155,279	\$ 1,874
Unrestricted Gifts and Bequests	42,411	1,913	2,263	42,061
Restricted Gifts and Bequests	996	1,674	1,751	919
Hildabrandt Gift	2,761	49,042	17,277	34,526
Rainy Day	4,963	5,498	-	10,461
Lease/Rental	492	117,690	104,589	13,593
Library Improvement Reserve	96,275	28,818	83,918	41,175
Insurance Settlement	-	1,478	1,478	-
Fiduciary Fund:				
PLAC	-	30	30	-
Totals	<u>\$ 148,511</u>	<u>\$ 362,683</u>	<u>\$ 366,585</u>	<u>\$ 144,609</u>

The accompanying notes are an integral part of the financial information.

BROOKSTON PRAIRIE TOWNSHIP LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides cultural and recreational services.

Note 2. Fund Accounting

The Library uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Library in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Library on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Library to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

BROOKSTON PRAIRIE TOWNSHIP LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2008

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 20,000
Improvements other than buildings	1,250,000
Machinery and equipment	<u>126,610</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,396,610</u>

BROOKSTON PRAIRIE TOWNSHIP LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
For The Year Ended December 31, 2008

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Expansion and Remodeling	\$ 300,662	\$ 59,033

BROOKSTON PRAIRIE TOWNSHIP LIBRARY
EXAMINATION RESULTS AND COMMENTS

OPTICAL IMAGES OF WARRANTS

The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks.

IC 5-15-6-3 concerning optical imaging of checks states in part:

"(a) . . . 'original records' . . . includes the optical image of a check or deposit document when:

- (1) the check or deposit document is recorded, copied, or reproduced by an optical imaging process . . . ; and
- (2) the drawer of the check receives an optical image of the check after the check is processed for payment . . . "

Further, IC 26-2-8-111 states in part:

"(a) If a law requires that certain records be retained, that requirement is met by retaining an electronic record of the information in the record that:

- (1) accurately reflects the information set forth in the record after it was first generated in its final form as an electronic record or otherwise: and
- (2) remains accessible for later reference."

"(e) If a law requires retention of a check, that requirement is satisfied by retention of an electronic record of the information on the front and back of the check in accordance with subsection (a)."

CONDITION OF RECORDS

The following deficiency, relating to the recordkeeping was present during our period of examination:

Amounts reported in the annual report could not be traced to record balances. A similar comment was noted in the prior Report B26954.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

BROOKSTON PRAIRIE TOWNSHIP LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on February 18, 2009, with Marilyn Blessing, Director.
The official concurred with our findings.